

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-367-C - ORDER NO. 97-1075
DECEMBER 30, 1997

IN RE: Application of Group Long Distance,) ORDER
Inc. for a Certificate of Public) APPROVING
Convenience and Necessity to Provide) CERTIFICATE
Local Exchange Telecommunications) TO PROVIDE
Services within the State of) LOCAL SERVICE
South Carolina.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the application of Group Long Distance, Inc. ("GLD" or "the Company"). The Application requests that the Commission issue a Certificate of Public Convenience and Necessity authorizing GLD to provide local exchange telecommunications services in the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996), and the Regulations of the Commission.

By letter dated September 25, 1997, the Commission's Executive Director instructed GLD to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings and to provide notice of the hearing date on this matter. GLD complied with this instruction

and provided the Commission with proof of publication of the Notice of Filing and Hearing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on December 16, 1997, at 11:30 a.m. in the Commission's Meeting Room. Pursuant to S.C. Code Ann. §58-9-1010 (1976), the Commission authorized a single Commissioner to conduct the hearing on GLD's Application. The Honorable Philip T. Bradley, Vice Chairman, presided at the hearing. GLD was not represented by counsel. The Commission Staff ("Staff") was represented by Florence P. Belser, Staff Counsel. SCTC did not appear at the hearing.

Prior to the hearing, GLD and the SCTC executed a Stipulation dated October 20, 1997. The Stipulation was filed with the Commission prior to the hearing in this matter. As a result of the Stipulation, SCTC withdrew its intervention in the Docket. The Stipulation provides the following:

- (1) The SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to GLD if the Commission makes the necessary findings to grant the Certificate and if all stipulated conditions are met;
- (2) GLD agrees that any Certificate granted by the Commission will authorize GLD to provide service only to customers located in non-rural local exchange company ("LEC") service areas except as otherwise provided;
- (3) GLD agrees that it is not requesting the Commission to find whether competition is in the public interest for rural areas;
- (4) GLD agrees that it will not provide local service, by its own facilities or otherwise, to any customer in a rural incumbent LEC's service area, unless and until GLD provides such rural incumbent

LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. GLD also acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause;

- (5) GLD agrees that if, after GLD gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then GLD will not provide service to any customer located within the service area in question without prior and further Commission approval;
- (6) GLD acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures and guidelines do not conflict with Federal or State law;
- (7) GLD and the SCTC agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and that the stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled; and
- (8) GLD agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

This stipulation is consistent with our decision in Order No.

96-494 (Docket No. 96-073-C). It was signed voluntarily by both the SCTC and GLD, was filed with the Commission prior to the hearing in this matter, and was made a part of the record at the hearing. We therefore approve the stipulation.

In support of its Application, GLD presented Peter Russo, Chief Financial Officer of GLD, to testify. The purpose of Mr. Russo's testimony was (1) describe GLD's service offerings and (2) to demonstrate GLD's financial, managerial, and technical ability to provide the telecommunications services for which GLD seeks authority.

DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1996) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, GLD's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by GLD should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that GLD possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1996). Mr. Russo testified that GLD has sufficient technical, financial,

and managerial resources and ability to provide the telecommunications services for which GLD seeks authority. GLD currently provides interexchange services, pursuant to certification, registration, or tariff requirements, or on an unregulated basis, in all states except Alaska. GLD is authorized to provide local exchange service in eleven states and is in the process of obtaining approvals to provide competitive local exchange services in the forty-eight contiguous states. Mr. Russo states that GLD's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience.

Regarding GLD's financial resources, the record reveals that GLD is incorporated under the laws of the State of Florida. Mr. Russo testified that GLD has sufficient financial resources to provide local services. For the year ended April 30, 1997, Mr. Russo stated that GLD had total assets of approximately \$9.4 million and total liabilities of \$7.8 million. The Company's gross sales for the year ended April 30, 1997 were approximately \$23.4 million, which represents an increase of approximately 90% from the year ended April 30, 1996. According to Mr. Russo, GLD expects to maintain its growth in sales.

No other party offered any evidence in opposition to Mr. Russo's testimony. Based on the undisputed evidence of the record, the Commission finds that GLD possesses the technical, financial, and managerial resources sufficient to provide the services requested.

(2) The Commission finds that GLD will provide services that will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1996). Mr. Russo specifically stated that GLD will comply with all applicable rules, policies, and statutes applicable to the offering of those services and that GLD fully intends to meet the Commission's service standards. Furthermore, Mr. Russo stated that GLD had made certain changes to its tariff, as suggested by Staff, to bring the tariff into compliance with Commission Rules and Regulations. No party offered any evidence to dispute Mr. Russo's testimony. Based on the undisputed testimony from Mr. Russo, the Commission believes, and so finds, that GLD will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that GLD's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Mr. Russo stated that GLD's service offerings would not adversely impact the availability of affordable local exchange service. Mr. Russo offered that certification of GLD would serve the public interest through increased choice, improved quality of service, and heightened opportunities to obtain improved technologies in the home and business. No party offered any evidence that the provision of local exchange service by GLD would adversely affect local rates. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by GLD will not adversely impact affordable local exchange

service.

(4) The Commission finds that GLD will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1996). Mr. Russo testified that GLD will comply with the Commission's universal service requirements. No party disputed Mr. Russo's testimony. Based on the undisputed evidence of record, the Commission finds that GLD will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by GLD "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996). Mr. Russo offered that approval of GLD to provide local telecommunications services will benefit consumers by providing increased choice, improved quality of service, and new opportunities to obtain improved technology in the home and businesses. Further, Mr. Russo offered that market incentives would be improved through the increase in the diversity of suppliers and competition in the local exchange telecommunications market. Mr. Russo's testimony was undisputed as no party offered any evidence that approval of GLD's Application would adversely impact the public interest. Therefore, the Commission finds that approval of GLD's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996).

Therefore, based on the findings above, the Commission finds

and concludes that the Certificate sought by GLD should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of GLD for a Certificate of Public Convenience and Necessity authorizing GLD to provide local exchange telecommunications services in the State of South Carolina is approved.

2. The Stipulation filed by GLD and the SCTC is approved by this Commission, is binding upon GLD and the SCTC, and shall be implemented as set forth in the Stipulation. We therefore make no findings or conclusions regarding competition in the rural areas of South Carolina. GLD shall conduct its operations in compliance with the Stipulation until further Order of the Commission.

3. GLD shall file, prior to offering local exchange services in South Carolina, a final tariff of its service offerings. The final tariff shall include the modifications and changes as proposed by the Commission Staff and to which GLD agreed.

4. GLD shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, GLD shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. GLD shall file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A

shall be utilized for the provision of this information to the Commission.) Further, GLD shall promptly notify the Commission in writing if the representatives are replaced. GLD is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. GLD shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Chairman

ATTEST:


Executive Director
(SEAL)

DOCKET NO. 97-367-C - ORDER NO. 97-1075
DECEMBER 30, 1997
ATTACHMENT A

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230